

ARTICLE APPEARED
ON PAGE A1-6

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Draft Report Also Scolds Aides

Carter Criticized on Billy

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Senate investigators have concluded that President Carter and some of his closest aides deserve to be publicly chastised for poor judgment and unwise handling of Billy Carter's dealings with the Libyan government.

The subcommittee apparently found no violations of law in the course of its inquiry. It also said the Justice Department's investigation of Billy Carter's failure to register as a foreign agent "was honestly and conscientiously conducted" by the department's Criminal Division.

But in the draft of a report to be made public later this week, lawyers in charge of the inquiry suggested that the president should have known that using his brother as a middleman with the Libyans would have the "predictable effect" of both condoning the relationship and enhancing Billy Carter's stature and prestige with the radical Arab government.

The White House should also have realized, the draft report states, that "the enhancement of Billy Carter's importance in the eyes of the Libyans might be exploited by him for his own economic advantage."

"This possibility," the report adds, "was made more serious by the financial difficulties that, as the president knew, Billy Carter was experiencing."

In fact, the report discloses, Billy's telephone calls in pursuit of money and oil from the Libyans "increased dramatically" following the Nov. 27, 1979, meeting he arranged at the White House between White House national security affairs adviser Zbigniew Brzezinski and Libya's chief diplomat here, Ali Houderi.

The report, listing conclusions for the hurried inquiry that began in late July, is now being circulated among members of the special Senate subcommittee that conducted the investi-

gation. A copy was obtained by The Washington Post.

Composed by staff lawyers Philip Tone, Michael Davidson and Robert Kelley, it has been revised once and is said to be in near-final form.

Attorney General Benjamin R. Civiletti, White House appointments secretary Phillip J. Wise, CIA Director Stansfield Turner and Brzezinski all come in for their share of criticism.

In the course of it, the report discloses that the FBI had "information from intelligence channels" as early as last November and December that Billy Carter was trying to get a loan from the Libyans and to arrange for an increased allocation of Libyan oil for the Charter Oil Co. of Jacksonville, Fla.

The subcommittee said Civiletti might well have discovered that fact had he made any effort last April to determine whether his department had any information that could supplement other intelligence reports that he had just been told of and that he chose to keep to himself.

Coupled with what the FBI had heard last year, the various items of intelligence "could have been used in the investigation" earlier than they were "without compromising sources," the report states. But instead, the Senate lawyers noted, "the attorney general failed to share the classified information that came to him in April 1980 with any trustworthy subordinate who had the necessary security clearance."

White House appointments secretary Wise is accused in the report of being responsible for "some delay in the progress of the investigation." The Senate lawyers said he "was less cooperative than he should have been in returning calls by an FBI agent seeking to reinterview him."

The draft report also expresses disappointment over the fact that Wise "professed not to remember events relevant to the investigation which he could reasonably have been expected to remember."

In a footnote, for example, the Senate investigators say they are convinced that Wise arranged a State Department briefing for one of Billy Carter's associates about the status of some C130 military air transports the Libyans were trying to obtain. Wise, in his testimony before the subcommittee, said he had no recollection of playing any role in the January 1979 briefing for Henry (Randy) Coleman.

The subcommittee noted that one witness who accompanied Billy Carter on his first trip to Libya in 1978 recalled the president's brother telling his Libyan hosts "that he would try to do something to obtain the release of the C130 aircraft Libya had ordered." But beyond the 1979 briefing, the panel said it "found no evidence of further activity of Billy Carter with respect to C130s."

The report criticizes "White House aides close to the president" for failing to warn him of Billy's 1978 trip despite its potential for embarrassment. The Senate investigators also faulted the president for not disassociating himself and his administration from his brother's second trip to Libya in the fall of 1979.

"[H]aving failed to dissuade him [Billy Carter] from returning to Libya," the report states, "the president should have either issued a public statement or sent a private message to the Libyan government, or both, that Billy Carter did not represent the United States and that the Libyans should not expect to gain any influence in the United States by cultivating their relationship with him."

The fact-finding segment of the report, which presumably will supply more detail, is to be distributed to subcommittee members in draft form today. The section devoted to conclusions, however, notes that "Libyan officials went to considerable trouble and expense in establishing and maintaining a relationship with Billy Carter."

"The initial contact," the report adds, "was the result of persistent efforts and a devious series of personal contacts aided by the participation of an important Libyan official."

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